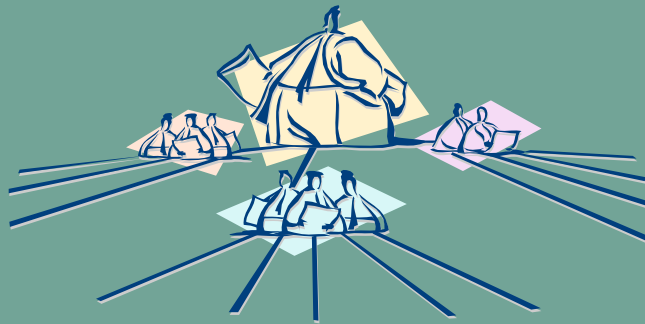


Charge Card Supervisor/Reviewer Training



Welcome to the Charge Card Supervisor/Reviewer Training. This training has been modified to include review of the new Airline Travel Card. This training is required of all individuals who review any purchase charge card or Airline Travel Card reconciliations including reconciliation logs for the Small Purchase Charge Card (SPCC) and Gold card programs. This training will be updated annually and you will be instructed by your Agency's Program Administrator when the updated training is available.



AGENDA

- Purpose of training
- Purchase Card Program Background
- Agency Travel Card Program Background
- Responsibilities
- Review Checklist
- Resources
- Review
- Conclusion

After completion of this training, you will be required to email your agency's Program Administrator with a secret code in order to receive credit for taking the training.



PURPOSE OF TRAINING



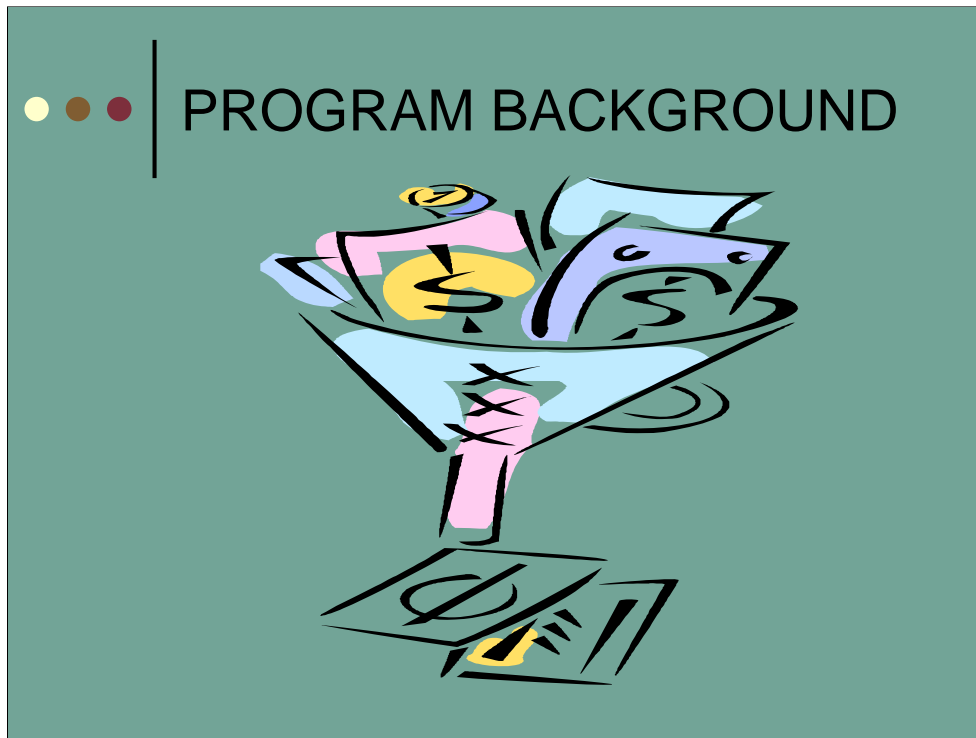
We will begin with the purpose of this training....



PURPOSE OF TRAINING

- Required annually of anyone who signs off on a cardholder's reconciliation
- Updates on the Purchase Card Program (SPCC and Gold)
- Updates on the Agency Travel Card
- Designed to provide guidance on what to look for in your review

This training will be required annually of all individual's who review and sign off on a charge card reconciliations. It will provide updates on the SPCC, Gold card and Airline Travel Card programs as well as guidelines for performing a reconciliation review.



Program Background



PURCHASE CARD PROGRAM BACKGROUND

- Purchase Card Program in existence for over a decade
- Recently changed from American Express to GE MasterCard
- Over \$1 billion in volume since inception
- FY2005 \$260 million in volume

The Purchase Card Program has been in existence for over a decade now. The Commonwealth recently changed card vendors from American Express to GE MasterCard. This will increase the volume on the card based on acceptance of the MasterCard brand. Since the program began, over \$1 billion has been charged to the program providing scales of efficiency for the Commonwealth. For FY2005, our total volume was \$260 million which is the highest volume in a Fiscal year! This growth can be attributed to the dedication of all cardholders and program support at each agency.



PURCHASING CARD PROGRAM BACKGROUND (continued)

- Agencies assume ultimate liability for use of the card
- Purchasing cards must be used for official State Business only!
- Airline tickets and Mass Rail tickets are allowed on the Purchase card

A consolidated purchase card payment is completed by the agency inclusive of all purchases made by its cardholders. The card cannot be used for personal items, only for valid business expenses. Cardholders can charge airline tickets and mass rail tickets to the purchase card but not other travel expenses such as lodging or meals. Travel expenses such as the hotel bill and meals must be placed on the individual's Travel Charge Card.



PURCHASE CARD PROGRAM BACKGROUND (continued)

- Up to \$5,000 a transaction
 - GOLD – up to \$50,000 a transaction
- Up to \$100,000 a month
 - GOLD – up to \$250,000 a month
- CAPP Topic 20355

The Purchase charge cards can have a transaction limit of up to \$5,000 and a monthly limit of up to \$100,000. Each agency can set agency limits lower than these State maximum figures. The Commonwealth also has a Gold card program which allows an individual usually in the Procurement Office to have a card with a \$50,000 transaction limit and a \$250,000 monthly limit. The Commonwealth's Accounting Policy and Procedural Manual, also referred to as the CAPP Manual, topic 20355 contains detailed information and guidelines for the Purchase Charge Card Program. As a Reviewer/Supervisor, you should familiarize yourself with the information found in this topic.



AIRLINE TRAVEL CARD PROGRAM BACKGROUND

- Established on new GE MasterCard contract
- Agency Liability
- Can only be used for Airline Purchases
- Relieves financial burden on travel cardholders

The Airline Travel Card was established on the new GE MasterCard contract. This card is a means to replace the American Airlines Universal Air Travel Card Program which Department of General Services handles. This card is paid for each month by the agency unlike the individual travel cards which are paid for by the cardholder. This card can only be used for airline purchases which relieves the burden on the travel cardholders. Travel cardholders can have their air travel paid for on the airline travel card so that they do not have to pay for the ticket prior to getting reimbursed after their travel is completed.



RESPONSIBILITIES



Now lets review your responsibilities...



RESPONSIBILITIES

- Reviewer is a critical role in the reconciliation process
- Ensure that all purchases made are valid business expenses
- Ensure that the reconciliation is supported with sufficient documentation
- Ensure the reconciliation is completed timely and accurately

Your role is a critical one for your agency. You are the person who must ensure that the cardholder's purchases are valid state expenses. The cardholders reconciliation is not complete without your review and signature. The cardholder's role is to attach supporting documentation for each purchase and reconciling his or her purchase log to their monthly charge card statement. Your role is to ensure that the cardholder has fulfilled their role and to certify that the expenses listed on the reconciliation have been reviewed, approved, and deemed valid for the purpose of conducting business in the Commonwealth.



RESPONSIBILITIES (continued)

- Limits
 - Transaction Limits
 - Monthly Limits
- Orders
 - Compliance with Procurement policies
 - No split orders
 - Report non compliance to Program Administrator

Your responsibilities include being aware of your cardholders transaction and monthly limits on the card. This information is a key element in being a Supervisor/Reviewer of cardholder reconciliations. If you are not aware of the limits on the cards, you can contact your agency's Program Administrator who can provide that information.

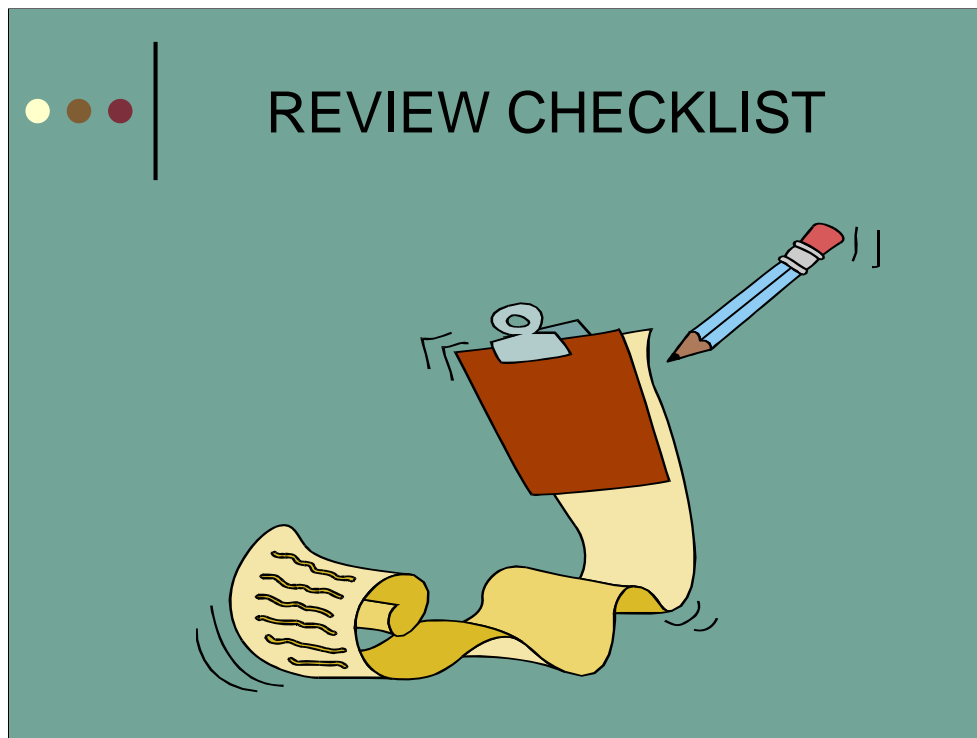
For Purchase Charge Cards, compliance to all Purchasing policies and procedures is key to your role. You should **NEVER** allow order splitting! You should **ALWAYS** report any order splitting to your Agency's Program Administrator. Limits are placed on cards for a reason and by allowing a cardholder to bypass those limits through order splitting or asking the vendor to bypass electronic authorization constitutes a deliberate infraction of policy.



RESPONSIBILITIES (continued)

- Audits
 - By you signing and dating a reconciliation, you are agreeing that every item on the log is accurate and complete.
 - Auditors are very particular about the Supervisor/Reviewer role in reconciliations

As a Supervisor/Reviewer of the reconciliations, you will be held accountable in any audit performed by your agency, the Department of Accounts or Auditor of Public Accounts (APA). They will look for questionable items, complete documentation, and your signature verifying review of the reconciliation. Just remember when you sign and date the reconciliation, you are approving that package to be sent to Fiscal for processing. You are a key factor in ensuring internal controls are in place eliminating the chance for fraudulent purchases.



Now we will go through items that you need to check as you review each reconciliation.



REVIEW CHECKLIST

- Receive reconciliations timely
 - Contact your cardholder's if you do not receive their reconciliation by your agency's due date
- Cardholder signature and date
 - If the reconciliation is not signed and dated, return to the cardholder
- GE MasterCard monthly statement attached
 - If the monthly statement is not attached, request it from the cardholder

Each reconciliation must be thoroughly reviewed.

Ensure that your cardholders submit their reconciliations to you in a timely manner. Each agency has different guidelines for when the reconciliations are due, so please refer to your agency's due dates.

When you receive the reconciliation, check to see if the cardholder has signed and dated the reconciliation. If not, return it to the cardholder for signing.

Make sure the cardholders monthly bill from GE MasterCard is attached. The statement can be either the paper bill that is received from GE MasterCard, or an official statement from GE MasterCard printed off by the cardholder from NetService for Cardholders.



REVIEW CHECKLIST (continued)

- Compare the transaction amounts documented on the reconciliation to the monthly GE MasterCard statement
 - Contact the cardholder for an explanation of any variance not documented and return for correction
- Verify that the reconciled total on the reconciliation matches the amount due on the GE MasterCard Statement
 - If not, contact the cardholder for an explanation of the variance and return for correction
- Validate that each transaction is a valid business purchase
 - If you have any questions, contact the cardholder for more information

Now we get into the detail that you need to be checking.

You need to compare each transaction amount on the GE MasterCard statement to that documented on the reconciliation. If the amount does not match and no reconciling notation has been provided, contact the cardholder for an explanation. The cardholder will need to correct the reconciliation accordingly.

After checking each individual transaction, you need to verify that the grand total on the reconciliation matches the amount due listed on the GE MasterCard bill. Again, If it does not, contact the cardholder for explanation and a corrected reconciliation.

Review the detail of each transaction to ensure purchases are for valid business expenses. If you have any questions about the purchase, contact the cardholder for more information.



REVIEW CHECKLIST (continued)

- Verify that no Sales Tax was charged on purchase card purchases
 - If there was tax charged, contact the cardholder and instruct that a credit from the vendor be requested immediately. Ensure a notation to this effect is included on the reconciliation.
- Accounting information correct
 - Contact the cardholder to correct any cost, object, and project codes
- If there are any outstanding issues which cannot be corrected before sending the certified reconciliation to the Fiscal Office:
 - Attach documentation recapping disposition and identifying the responsible party.

For each purchase card transactions, you must verify that there was not any sales tax charged. This would be displayed on the receipt attached to the reconciliation. If there was tax charged, contact the cardholder to request a credit from the vendor immediately. You must keep track of these outstanding issues and ensure adjustments are made on a subsequent monthly statement to credit the card. Remember that catering/food purchases on the PCard can have sales tax charged.

Verify that all accounting information is correct. Cost code, object code, etc.

If you come across any issues which cannot be resolved immediately, please document this and attach it to the reconciliation. This will provide information to the fiscal office that there is an outstanding issue to be resolved. The notation should include a brief description of the issue, what has been done so far, and who is responsible for follow up actions. This is extremely helpful to anyone who audits the reconciliation. They will see that you have identified the problem and are getting resolution.



REVIEW CHECKLIST (continued)

- Sign and Date the Reconciliation
- Keep track of any outstanding items awaiting resolution
- Send it to Fiscal Office for processing

After your completed review, you must sign and date the reconciliation.

Again, you need to keep track of any outstanding issues to ensure the issue is resolved in a timely manner.

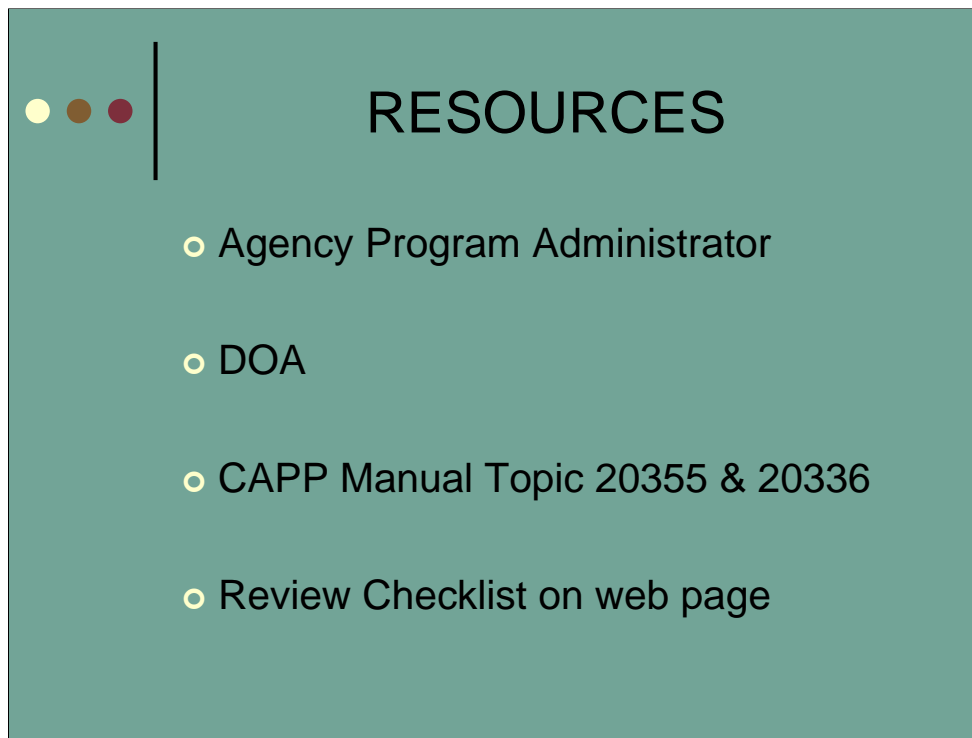
Send the reconciliation to the Fiscal office for processing. Your agency may have another department which receives certified reconciliations. Refer to your agency's internal guidelines to determine the appropriate recipient.



RESOURCES



There are numerous resources available to assist in your review.



Your Agency Program Administrator is there to assist you in any questions you may have.

The DOA Charge Card Administration team can assist if your agency Program Administrator is unavailable or is not sure of an answer.

CAPP Topic 20355, Purchasing Charge Card, is available online on DOA's website for your reference.

CAPP Topic 20336, Agency Travel Processing, is available online on DOA's website for your reference for the Agency Travel Card.

Additionally, a Review Checklist is available on DOA's Charge Card Administration web page under Training.



Now lets recap what we have discussed.



REVIEW

- All reconciliations must be reviewed
- Your signature certifies you have completed the review
- Document any issues with charges
- Use available resources

All reconciliations must be reviewed by the cardholder's supervisor or designated reviewer.

By you signing and dating the reconciliation, you are certifying that all charges are appropriate business transactions and the reconciliation package is complete.

Document any issues with charges and follow up with the cardholder to ensure they are resolved.

Use the resources available to you.



Congratulations! You have completed your annual training. Now, here is what you need to do to receive credit for taking the training.



CONCLUSION

- Please email a notification to your Agency Program Administrator stating that you have completed the Supervisor/Reviewer training
- Include in your email the secret word:
 - INSPIRE

Please email your agency's Program Administrator to inform them of the completion of the training. Make sure you include in the email the secret word! Thank you for your time and attention today.